SENATE BILL 257:
2026 Appropriations Act, Sec. 7.49:
Prohibition on Excessive Expenditures

2025-2026 General Assembly

Analysis of:	S.L. 2026-41, Sec. 7.49	**Date:**	August 21, 2026
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Section 7.49 of S.L. 2026-41 (Senate Bill 257) directs the Department of Public Instruction (DPI) to establish a procedure for reviewing monthly expenditures by local school administrative units (LEAs) from State-funded dollar allotments each school year, beginning in October of each school year. If an LEA expends more funds than allotted from a State-funded dollar allotment, the LEA must remit payment of the over-expended amount to DPI consistent with rules and policies adopted by the State Board of Education (SBE). If an LEA fails to remit a payment for more than 60 days, the SBE must exercise its oversight authority over the LEA, which could include assuming the financial affairs of the LEA.

This section also directs DPI to the extent practicable, to conduct monthly audits of LEAs State-funded position allotments beginning in October of each year. If an LEA is not compliant with the statutory requirements for State-funded position allotments, DPI must take actions consistent with rules adopted by the SBE.

This section became effective July 1, 2026.